MINISTRY OF JUSTICE
THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS

FINANCIAL STATEMENTS

For the Year Ended March 31, 2017

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Provincial Mediation Board Trust Accounts, which comprise the statement of financial position as at March 31, 2017, and the statement of change in net financial assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Mediation Board Trust Accounts as at March 31, 2017, and the change in its net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
July 17, 2017

Judy Ferguson, FCPA, FCA
Provincial Auditor

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Statement 1

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	2017	2016
FINANCIAL ASSETS		
Due from General Revenue Fund (Note 3)	$ 6,350	$ 8,227
NET FINANCIAL ASSETS		
Net Financial Assets (Statement 2)		
Orderly payment of debts program	$ 6,350	$ 8,227
Total Net Financial Assets	$ 6,350	$ 8,227

(See accompanying notes to the financial statements)

Statement 2

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31

	2017	2016
ORDERLY PAYMENT OF DEBTS PROGRAM		
Receipts from clients	$ 82,186	$ 53,330
Payments to creditors	(72,230)	(50,125)
Application and administration fees	(11,833)	(10,107)
Decrease in net financial assets	(1,877)	(6,902)
Net financial assets, beginning of year	8,227	15,129
Net financial assets, end of year (Statement 1)	$ 6,350	$ 8,227

(See accompanying notes to the financial statements)

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2017

1. Legislative Authority

The Provincial Mediation Board Trust Accounts (Trust Accounts) were established for the purpose of receiving and disbursing monies for persons who have entered into negotiations for the settlement of debts through *The Orderly Payment of Debts Regulations or The Provincial Mediation Board Act.*

The Provincial Mediation Board is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The Provincial Mediation Board maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board and published by CPA Canada applicable for governments. The following accounting principles are considered significant:

a) Receipt and Payment of Trusts

Monies are held in trust on behalf of clients and paid out to creditors through mutually agreed upon payment plans or consolidation orders made pursuant to Part X of the *Bankruptcy and Insolvency Act.*

b) Net Financial Assets

Net financial assets are the total of the various trust monies held on behalf of persons who have entered into negotiations for the settlement of debts through *The Orderly Payment of Debts Regulations.*

c) Applications and Administration Fees

Under Part X of *The Bankruptcy and Insolvency Act* , the Orderly Payment of Debts Consolidation Orders are subject to application and administration fees which are deducted and paid to the Ministry of Justice.

d) Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

e) Statement of Remeasurement Gains and Losses

A statement of remeasurement gains and losses has not been provided since there were no remeasurement gains or losses incurred during the year.

f) New Accounting Standards Not Yet in Effect

A number of new Canadian public sector accounting standards and amendments to standards are not yet effective for the Trust Accounts and have not been applied in preparing these financial statements. The following standards will become effective as follows:

(i) PS 2200 Related Party Disclosures (effective April 1, 2017), a new standard defining related parties and establishing guidance on disclosure requirements for related party transactions.

(ii) PS 3210 Assets (effective April 1, 2017), a new standard providing guidance for applying the definition of assets and establishing disclosure requirements for assets.
(iii) PS 3320 Contingent Assets (effective April 1, 2017), a new standard defining and establishing guidance on disclosure requirements for contingent assets.
(iv) PS 3380 Contractual Rights (effective April 1, 2017), a new standard defining and establishing guidance on disclosure requirements for contractual rights.
(v) PS 3420 Inter-Entity Transactions (effective April 1, 2017), a new standard establishing guidance on accounting for and reporting on transactions between organizations in the government reporting entity.

The Trust plans to adopt these new and amended standards on the effective date and is currently analyzing the impact this will have on these financial statements.

3. Related Party Transactions

In accordance with established government practice, the Trust Accounts have not been charged with any administrative costs and no provision for such cost is reflected in these statements. These costs are borne by the Ministry of Justice (Ministry) from monies appropriated by the Legislature for such purposes.

The Trust Accounts paid to the Ministry the application and administration fee collected totalling $11,833 (2016 - $10,107), for all of its programs.

The Trust Accounts bank accounts, described as Due from General Revenue Fund (GRF) are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. No interest is paid into these accounts by the GRF.

4. Financial Instruments

Due from GRF is the only financial instrument of the Trust Accounts. There are no significant terms and conditions related to this financial instrument that may affect the amount, timing and certainty of future cash flows. The carrying value of this instrument approximates fair value due to its immediate or short-term nature.

5. Budget

Budget amounts are not disclosed as the nature of the Trust Accounts operations do not provide for relevant budget amounts to be reasonably determined.

6. Orderly Payments of Debt Program

As of May 15, 2012, the Orderly Payments of Debt Program was discontinued. The Board will continue to administer any ongoing cases, but no new files will be opened.